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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91204667
Party	Defendant Caymus Medical, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<b>In the matter of: Serial No. 85/281308</b>	)	
<b>Filed: March 30, 2011</b>	)	
<b>Mark: CAYMUS MEDICAL (and design)</b>	)	
<b>And</b>	)	
<b>Serial No. 85/279926</b>	)	
<b>Filed: March 29, 2011</b>	)	<b>Opposition No. 91204667</b>
<b>Mark: CAYMUS MEDICAL</b>	)	
	)	
<b>Caymus Vineyards,</b>	)	
<b>Opposer,</b>	)	
<b>v.</b>	)	
<b>Caymus Medical, Inc. ,</b>	)	
<b>Applicant .</b>	)	

**APPLICANT'S RESPONSE TO  
OPPOSER'S MOTION TO DISMISS**

Applicant Caymus Medical, Inc. through its undersigned counsel, hereby responds to  
Opposer Caymus Vinyards' Motion to Dismiss Counterclaims under Fed. R. Civ. P.

12(b)(6) (the "Motion") for failure to state a claim upon which relief may be granted.

A motion to dismiss for failure to state a claim upon which relief can be granted is  
a test solely of the legal sufficiency of a complaint. In order to withstand such a motion, a  
pleading need only allege plausible facts as would, if proved, establish that Applicant is  
entitled to the relief sought. See Young v. AGB Corp., 47 USPQ2d 1752, 1755 (Fed. Cir.  
1998). With respect to the pleading of a fraud claim, the sufficiency of the claim is  
governed by Fed. R. Civ. P. 9(b), which states, in relevant part:

a party must state with particularity the circumstances constituting fraud or  
mistake. Malice, intent, knowledge, and other condition of a person's  
mind may be alleged generally.

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Opposer has alleged that Applicant's Ground 1 fails to plead sufficient facts to allege a claim of fraud. Applicant disagrees, and shall explain why Ground 1 as originally filed does allege sufficient facts to meet the pleading burden of Fed. R. Civ. P. 9(b) below. However, with this Response, Applicant is also filing a First Amended Answer in which the pleadings are clarified and modestly expanded. Opposer also alleges that Ground 2 does not set forth a ground for cancellation and that Ground 3 is time-barred and no relief can be granted in such a claim. The facts pleaded in combined Ground 2 and Ground 3 do meet both the standard of plausibility and the requirements of Fed. R. Civ. P. 9(b). However, in its First Amended Answer Applicant has combined the elements of Ground 3 into Ground 2 in the First Amended Answer, which now clearly combines an allegation that the alleged incontestability of Opposer's Registration 1,833,996 (the "Registration") be refuted as the poisoned fruit of fraud in the procurement, and that the claim(s) pleaded in Ground 3 of the original Answer are therefore not time-barred.

1. **Applicant's Ground 1 sufficiently alleges all the elements of fraud with particularity.**

Fraud in procuring or renewing a trademark occurs when the applicant or agent knowingly makes false, material representations with intent to deceive the USPTO. See In re Bose Corp., 91 USPQ2d 1938 (Fed. Cir. 2009). Additionally, fraud in the procurement can occur when the applicant knowingly fails to make full disclosure to the USPTO of all material facts known to them with intent to deceive the USPTO. See, e.g., Aromatique Inc. V. Gold Seal Inc., 31 USPQ2d 1481, 1491 (8<sup>th</sup> Cir. 1994); Daesang Corp. v. Rhee Bros. Inc., 77 USPQ2d 1753 (D. Md. 2005). Deceptive intent may be established by direct

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evidence or may be inferred from indirect or circumstantial evidence. Bose, 91 USPQ2d at 1940; see also DaimlerChrysler Corp. v. American Motors Corp., 94 USPQ2d 1086, 1089 (TTAB 2010).

A) Applicant Has Particularly Pleaded that the Representation was made by Opposer

Applicant has pleaded that during the prosecution of the Registration the Examiner required, pursuant to 37 CFR 2.61(b), that Opposer “must indicate whether CAYMUS has . . . any geographical significance or any meaning in a foreign language.”<sup>1</sup> As admitted by Opposer in its Motion, these issues “were relevant [to the examining attorney] because they could have affected the registrability of the mark . . . .” Opposer’s Motion at page 5, lines 13-14. On November 1, 1993 a telephone conference (the “Conference”) was held between the Examiner and Opposer’s representative, “in accordance” with which the Examiner’s amendment stating “the wording ‘CAYMUS’ has no meaning other than trademark significance” (the “Representation”) was entered. See Answer, Exhibit B. The Examiner’s indication that the examiner’s amendment answering her own question to Opposer was made in accordance with the Conference, and the Opposer’s failure for almost 20 years to correct this misleading statement, leads inextricably to the conclusion that Opposer in fact, or constructively by ratification, made the Representation.

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<sup>1</sup> Answer ¶44, Exhibit A. 37 CFR 2.61(b) provides that “[t]he examiner may require the applicant to furnish such information and exhibits as may be reasonably necessary to the proper examination of the application. (Emphasis added).

B) Applicant Has Particularly Pleaded that Opposer Withheld Material Facts from The USPTO.

A trademark applicant is under a continuing duty of “uncompromising candor” to disclose material facts to the USPTO. Orient Express Trading v. Federated Department Stores, 6 USPQ2d 1308, 1311 (2d Cir. 1988); see also Aromatique, 31 USPQ2d at 1491. Further, “there is no presumption of validity attached to a PTO [trademark] registration where pertinent information is not presented to the PTO.” Daesang Corp. v. Rhee Bros. Inc., USPQ2d 1753 (D. Md. 2005) (Citations omitted.) “Fraud arises, therefore, not only where the applicant makes false statements but also where the applicant fails to make full disclosure of all material facts . . .” Id.

In this case, Opposer failed to reveal information known to it and showing that “Caymus” is used as a geographic term, in its answer to the Examiner’s November Office Action asking whether the word CAYMUS has any geographical significance. The available evidence indicates that the Opposer did not reveal uses of the term “Caymus” known to it, as outlined in detail below. This failure to disclose persisted from 1993, when the Examiner’s Amendment was entered, to 2003, when the Section 9 renewal and Section 15 affidavit was made, until this day. The continuous failure to disclose material geographical uses of the term “Caymus” to the USPTO, combined with the deceptive intent to have the USPTO rely on the absence of such information in order to grant and maintain the Registration also constitutes fraud in the procurement. Applicant has pleaded these facts in the Answer at ¶49. Thus, Applicant has particularly pleaded that the Opposer failed to disclose material

information to the Examiner as well.

C. Applicant Has Particularly Pleaded That The Representation is False

Opposer does not dispute that Applicant has successfully alleged that the Representation (that CAYMUS has no meaning other than trademark significance) is false. Indeed, Applicant admits, for example, that Rancho Caymus originated as a “land grant established by the Mexican governor” and that this land grant encompasses the present day Napa Valley towns of Rutherford, Oakville and Yountville. Opposer's Motion at page 5, lines 1-2; see also Answer, ¶45. Nor, of course, can the Opposer dispute that the U.S. Geological Survey's (“USGS”) Geographical Names Information System (“GNIS”) lists Caymus Vineyards along with two other “Caymus” listings indicated as located in Rutherford and Yountville, identified as “civil” and “populated place” entries respectively, only one of which is indicated as “historical”. See Answer at ¶46 and Exhibit F.

Thus, the Applicant has pleaded that the Representation that “the wording CAYMUS has no meaning other than as a trademark” is literally false.

D. Applicant Has Particularly Pleaded That The Representation is Material

Opposer attempts to dispute the falsity of the Representation by proposing that “obsolete historical meanings have no relevance to the registrability of the mark.” Opposer's Motion at page 6, lines 7-9. Of course, this has no bearing whatsoever on whether a false statement was made, and is a misdirected argument apparently intended to address the question whether the Representation was material or not. In a bold and nuanced statement Opposer has proposed a bright-line rule, without any citation to supporting authority, that “[h]istoric and obsolete meanings of a term do not create a ground for refusing registration

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of a mark . . . .” Opposer’s Motion at page 5, lines 16-17 (emphasis added).

The elements of a 15 USC §1052(e)(2) refusal of registration are (1) the primary significance of the mark must be geographic, 2) purchasers would be likely to make a goods-place or services-place association, and (3) the goods and/or services originate in the place identified in the mark. See, e.g., TMEP §1210.01(a). This test properly recognizes that merely because a term may have historical significance does not make that term “obscure” or “obsolete”; such a determination would have been for the Examiner to make, armed with the answer to her question whether the term CAYMUS has any geographical significance. It was not the role of the Opposer to usurp the Examiner’s opportunity to make the determination by falsely answering her inquiry. As admitted by Opposer in its Motion, the Opposer’s answer to the questions asked by the Examiner in her October 15, 1993 Office Action “were relevant [to the examining attorney] because they could have affected the registrability of the mark . . . .” Opposer’s Motion at page 5, lines 13-14. Thus, a truthful answer, rather than a false one, to this inquiry was material to Examiner’s determination of the registrability of the mark.

Applicant has particularly and plausibly pleaded the materiality element of Ground 1. Applicant has particularly pleaded that the historic name “Caymus” was the name of a Native American tribe, Applicant’s Answer at ¶45, Exhibit C. Exhibit C indicates that the name “Caymus” “is preserved in Caymus [R]ancho.” (Emphasis added). Applicant has particularly pleaded that the Caymus Rancho included the towns of Yountville, Oakville, and Rutherford, and that the Caymus Vineyards winery is located in Rutherford. Applicant’s Answer at ¶45, Exhibit D. Applicant has particularly pleaded that the geographical name

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"Caymus" is recognized by the USGS by three entries in Rutherford and nearby Yountville, only one of which is indicated as "historic"). Applicant's Answer at ¶45, Exhibit F.

Applicants have particularly pleaded that the geographical name "Caymus" is used by an inn (which Opposer admits is known to it; Motion at page 4), built in 1984 (before the 1993 Registration was granted) located a mile or two from the Opposer's wine tasting room, which states that it "takes its name from land awarded . . . to George C. Yount, Napa's first land grant." Applicant's Answer at ¶45, Exhibit G (emphasis added). Applicant has particularly pleaded that the name "Caymus" is used as the name of the Napa Valley Chapter of the Daughters of the American Revolution ("DAR"). Applicants' Answer at ¶45, Exhibit H.

Furthermore, in the First Amended Complaint Applicants have added new Exhibits J, K, L and M. Exhibit J comprises an internet listing for Charter Cable company servicing Caymus, California, and shows Rutherford CA, Oakville, CA, Yountville, CA and various other nearby towns as being within the Charter service area. Exhibit K shows an internet listing for Comcast Caymus California cable, internet and telephone services, also listing Rutherford CA, Oakville, CA, Yountville, CA and various other nearby towns as being within the service area. Exhibit L shows the website for the St. John the Baptist Catholic Church, founded in 1858, located at 960 Caymus Street, Napa, California, about 13 miles from Caymus Vineyards. Exhibit M shows the address of the Joseph Kent Winery, located at 1052 Caymus Steet, Napa, California, also about 13 miles from Caymus Vineyards. The First Amended Complaint specifically pleads that these uses of the term "Caymus" are uses of the term "Caymus" primarily as a geographical term.

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Opposer's customer base, purchasers of fine wines, is an extremely sophisticated one. As with the French, German, and Italian wine growing regions, lovers of Napa Valley wines tend to gather and compare detailed information concerning the specific locations in which wine is grown. Napa Valley, as one of the world's most famous wine regions, is a renowned tourist destination, particularly for purchasers of fine wine, and guided tours of the Napa Valley in general (and the Caymus Rancho area in particular) are abundantly available to Napa Wine Country tourists.

Thus, not only has Applicant particularly pleaded the materiality element, but it is clear that the false statement made by Opposer was material to Examiner Blohm's decision whether to allow the Registration.

E. Applicant Has Particularly Pleaded That the Opposer Knowingly Made a False Representation.

Applicant has pleaded in its Answer at ¶48 that Opposer chose to register the name "Caymus" as a trademark for its wines while the location of their tasting room was within the boundaries of Rancho Caymus, and while an inn called Rancho Caymus, which took its name from the geographical location was within 1-2 miles of the Caymus Vineyards tasting room locale, and was admittedly known to Opposer; see Motion at page 4. The Applicant has particularly pleaded that Opposer made the representation "despite its knowledge that the word "Caymus" has famous significance as a cultural and geographic name." Applicant's Answer at ¶48 (emphasis added). Applicant additionally believes that further evidence of Opposer's knowledge of the geographic significance of the word "Caymus" will be adduced during discovery.

For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted “all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff.” See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc., 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993). Even in view of the heightened pleading requirements of Fed. R. Civ. P. 9(b) Applicant respectfully submits that it has clearly, particularly and plausibly pleaded that Opposer had knowledge of the falsity of the Representation.

F. Applicant Has Particularly Pleaded That, in Making the Representation, the Opposer Intended to Deceive the USPTO.

Opposer has alleged in its Motion that Applicants' pleadings, containing Applicant's detailed recital of the facts (as available to them before discovery), are “couched in the language of mere speculation”, and offer “no logical connection between the fact that there was a telephone conversation and the alleged “clear intent to deceive.” Applicant disagrees.

First, Opposer again attempts to assert that Applicant's recital, with particularity, of the facts surrounding the Representation made in the Examiner's Amendment of December 2, 1993, is insufficient to state a claim that the Representation was actually made by, or was in accordance with, statements made by Opposer during the Conference. However, the Examiner herself stated that the Examiner's Amendment was made in accordance with the Conference. As stated above, Applicant has pleaded that Opposer made the Representation. Since “all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff”, Advanced Cardiovascular Systems Inc., supra, Applicant has met the pleading burden of Fed. R. Civ. P. 9(b).

As detailed in the Answer, Applicant has pleaded with particularity that a specific Representation of fact was made by Opposer, that this Representation was untrue, that Opposer knew it was untrue, and that the false Representation was material to the examination and registration of the CAYMUS mark. Moreover, because the Representation was written in an Examiner's Answer, Applicant has pleaded that "the failure to correct a manifestly false statement can only be taken . . . [as an] intent to induce agents of the United States Patent and Trademark Office to grant registration of the pleaded mark . . . and reasonably relying on the truth of these false statements, they did grant such registration."

Applicant's Answer ¶48.

Where, as here, "a pleading asserts that a known misrepresentation, on a material matter, is made to procure a registration, the element of intent, indispensable to a fraud claim, has been sufficiently pled" and meets the particularity and "requirement for generally pleading intent[] in light of the Bose decision." DaimlerChrysler, 94 USPQ2d at 1089. However, because "the preferred practice . . . is to specifically allege the adverse party's intent to deceive the USPTO", Id., Applicant is adding a specific allegation of intent to deceive to the First Amended Answer filed with this Response.

Applicant's Answer met the plausibility requirements for particularly pleading a case of fraud, and meets the standard of In re Bose for pleading intent. The First Amended Answer contains all the elements of the Answer, but has been clarified to meet the preferred practice of specifically alleging the elements of Ground I.

**2. Applicant's Grounds 2 and 3 sufficiently allege a cause of action.**

Ground 2 of the Applicant's Answer alleges that, due to the fraud alleged in Ground

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1, the Opposer filed, on December 29, 1999 a combined Section 8 and 15 Affidavit alleging incontestability of the mark CAYMUS. Applicant's Answer, ¶51. As pleaded therein, the incontestability of a facially incontestable mark may be refuted if the registration of the incontestable right to use the mark was obtained fraudulently. Here, the registration itself was obtained fraudulently; thus, the affidavit of incontestability is tainted with this fraud.

Opposer disputes that Ground 2 properly states a cause of action. However, this Board has the power to declare the affidavit invalid if it is the poisoned fruit of fraud, and Opposer has properly pleaded the facts supporting this cause.

Opposer alleges that Ground 3 is time-barred. But because the affidavit of incontestability is invalid (as pleaded in Ground 2), the allegations of Ground 3 are not time-barred. Applicant has combined Ground 2 with Ground 3 in the First Amended Answer, which clarifies this fact. Thus, Applicant has sufficiently, plausibly, and particularly pleaded facts, which, if taken as true, make out a plausible claim of the causes of action set forth in Grounds 2 and 3.

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Accordingly, both in Applicant's Answer, and now in Applicant's First Amended Answer, Applicant has clearly, particularly, and plausibly stated claims for which relief can and should be granted, and for this reason Applicants respectfully maintain that the Board should dismiss Opposer's Motion and permit this opposition to proceed to discovery.

Respectfully Submitted,

\_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

I hereby certify that I caused a true and correct copy of the foregoing Response To Opposer's Motion To Dismiss to be served

upon:

Anthony R. Masiello, Esq.

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by placing same in an envelope, properly sealed and addressed, with postage prepaid and depositing same with the United States Postal Service on this 12<sup>th</sup> day of September, 2012.

\_\_\_\_\_/Donald E. Stout/

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